

# **Tobin & Co.**

Long Lake Township

Grand Traverse County, Michigan

Audit Report

For the Year Ended June 30, 2004

# Auditing Procedures Report

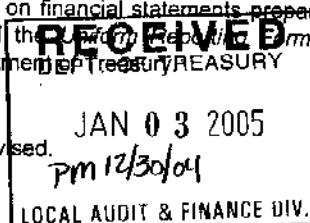
Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Long Lake Township	County Grand Traverse
Audit Date 6/30/04	Opinion Date 11/29/04	Date Accountant Report Submitted to State: 12/30/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.



We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name)			
Street Address		City	State ZIP
Accountant Signature John D. Tolson		Date 12/30/04	

# Tobin & Co.

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# **Tobin & Co.**

## INTRODUCTORY SECTION

# **Tobin & Co.**

## Comments and Recommendations

We have audited the basic financial statements and the individual fund financial statements of Long Lake Township, Grand Traverse County, for the year ended June 30, 2004 and have issued our report thereon. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

Our study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of Long Lake Township taken as a whole. As a result of our examination, we respectfully submit the following comments and recommendations.

### General

Your Clerk, Treasurer and Deputies maintain receipts journals, disbursements journals, general ledgers and account books prescribed in the Uniform Accounting Procedures developed by the State Department of Treasury. The records were well maintained. Recorded revenues were deposited timely and intact, journals and ledgers were properly posted, Board minutes were maintained in proper order, and supporting documents and follow-up procedures appeared to be in very good order.

### Budgets and Procedures

The Township prepared and adopted budgets for its General and Special Revenue Funds. Public Act 621 of 1978, Section 18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. No cost centers exceeded their expenditure budgets without formal amendment by the Township Board.

### General Fund

The General Fund is presented on Schedule 1 of this report. The fund balance at June 30, 2004 was \$380,331. Revenues amounted to \$941,251. There were appropriations amounting to \$10,000 to the Retiree's Insurance Fund, \$21,859 to the Township Improvement Revolving Fund for Gypsy Moth Suppression, \$5,608 to the Budget Stabilization Fund, and \$10,000 to the Public Improvement Fund. Transfers of \$19,000 from the Township Improvement Revolving Fund were made to the General Fund during the year.

### Public Improvement Fund

This fund, permitted by statute, was established to account for monies set aside for future improvements provided for in Act 136 of 1936, as amended. The fund received \$10,000 from the General Fund during the year, and the fund balance at June 30, 2004 was \$80,439.

### Budget Stabilization Fund

This fund is used by the Township to set aside a portion of the General Fund surplus for future budgetary needs. The fund is permitted by statute. The fund received a transfer from the General Fund of \$5,608. The fund balance at June 30, 2004 was \$87,200.

### Improvement Revolving Fund

This fund, permitted by statute, may be used to set aside monies for Township improvements. No more than the equivalent of 2 mills of the taxable value may be placed in the fund in one year, and the total may not exceed 5 mills of the current valuation. The statute also permits the Township Board to return portions to the General Fund at any time. The fund is classified as a Special Revenue Fund for which a budget is required.

During the year this fund expended \$21,859 for gypsy moth suppression in a new special assessment district. The fund received an operating transfer from the General Fund of \$21,859 and made operating transfers of \$19,000 to the General Fund. The fund balance was \$1,301 at June 30, 2004. See Schedule 5.

### Metro Act Fund

This fund was established to account for revenues received from the State of Michigan. The funds must be used to improve public right-of-ways. The fund balance at June 30, 2004 was \$11,410. See Schedule 5.

# **Tobin & Co.**

## Comments and Recommendations

### Library Building Fund

This fund was established to account for funds to be used for the construction of a District Library facility. During the year donations amounting to \$52,463 were received. Expenditures of \$37,605 for the facility were made during the year. See Schedule 5.

### Enterprise Fund

The township owns a duplex adjacent to the Township Park. The duplex is currently being rented with the intention that it will ultimately become part of the existing park. See pages 15 through 17.

### Capital Assets

Capital assets are included in the Statement of Net Assets at their cost less accumulated depreciation. See Note 4 to the Financial Statements for a statement of changes in capital assets during the year.

### Property Tax Collections

The collection and distribution of the 2003 tax levy was handled in an excellent manner by the Township Treasurer. Paid receipts were filed in order of payment, bundled by deposit and supported by adding machine tapes. Deposits were made timely and intact. Distributions to taxing units during the collection period were in accordance with statutory requirements. Most personal property taxes unpaid at settlement time were collected prior to June 30, 2004. Collection efforts appear to be effective.

See Schedule 7 for a summary of the 2003 tax levy and collections.

### Property Tax Administration Fees

The statutory 1% administration fee may be used only to offset tax assessment and collection expenses. As of June 30, 2004 expenditures exceeded collections by an accumulated total of \$227,837. See Schedule 8.

### Payroll Procedures

The Clerk maintains excellent payroll records. Payroll withholdings were promptly remitted to various agencies and required reports were prepared and submitted. The Clerk's efforts are commendable.

### Investments

The Township has investments totaling approximately \$533,084 with a local investment firm. It is the responsibility of the Board to insure that all Township investments are permitted by statute and that public funds are properly insured and safeguarded.

### Insurance and Surety Bond Coverage

Records indicate that the Township is insured through Municipal Underwriters of Michigan and has such coverage as fire and extended coverage, general liability, errors and omissions, workmen's compensation, equipment and crime coverage. Board minutes indicate that coverage was reviewed during the audit year. The Clerk, Treasurer, and their deputies have surety bond coverage. The Township also provides medical insurance coverage.

### Other Data

We are pleased to note the use of interest bearing depository accounts, and the purchase of investments from temporary surplus funds. This resulted in earned interest of over \$15,000 during the audit year. This is commendable on the part of the Treasurer and other Board members.

After completion of our audit, we will mail the necessary copies of our report to the State Department of Treasury.

We again commend the Clerk and Treasurer for the condition of the Township accounting records. We further appreciate the courtesy extended our field examiners in the conduct of this audit.

Your confidence is respected. Please contact us if questions arise or assistance is needed.

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# **Tobin & Co.**

## FINANCIAL SECTION

# Tobin & Co.

## REPORT OF INDEPENDENT AUDITOR

To the Township Board  
Long Lake Township  
Grand Traverse County  
Grawn, Michigan 49637

We have audited the basic financial statements of Long Lake Township as of and for the year ended June 30, 2004, as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly in all material respects, the financial position of such funds of Long Lake Township at June 30, 2004, and the results of operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Table of Contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of Long Lake Township. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

*Tobin & Co., P.C.*

TOBIN & CO., P.C.  
Certified Public Accountants  
November 29, 2004



# Tobin & Co.

## Long Lake Township Management Discussion and Analysis Letter Fiscal Year 7/1/03 through 6/30/04

As the Supervisor, Clerk, and Treasurer of Long Lake Township we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of Long Lake Township for the fiscal year ended June 30, 2004.

### Financial Highlights

- The assets of Long Lake Township exceeded its liabilities at the close of the most recent fiscal year by \$1,951,546 (*net assets*). Of this amount, \$394,170 (*unrestricted net assets*) may be used to meet the Township's ongoing obligations to citizens and creditors.
- As of the close of the fiscal year, Township's governmental funds reported combined ending fund balances of \$609,695, an increase of \$2,457 in comparison with the prior year. Approximately 60% of the total amount is available for spending at the Township's discretion (*unreserved fund balance*).
- At the end of the fiscal year, unreserved fund balance for the general fund was \$380,331, or 40% of total general fund expenditures.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Long Lake Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, road projects, cemetery, culture and recreation. The business-type activities of the Township include rental of the residential duplex.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Long Lake Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental Funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Long Lake Township maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Improvement Fund, and Budget Stabilization Fund which are considered to be major funds. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for the general fund and other major funds to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

# **Tobin & Co.**

## **Financial Analysis of the Township's Funds**

As noted earlier, the Township used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a Township's net resources available for spending at the end of the fiscal year.

## **Requests for Information**

This financial report is designed to provide a general overview of Long Lake Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Karen Rosa, Supervisor, Long Lake Township, 8870 North Long Lake Road, Traverse City, MI 49684.

# Tobin & Co.

## Long Lake Township Statement of Net Assets June 30, 2004

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 25,628	\$ 14,139	\$ 39,767
Investments	533,084	-	533,084
Accounts Receivable	36,895	-	36,895
Special Assessments Receivable	12,279	-	12,279
Prepaid Expenses	20,607	-	20,607
Capital Assets:			
Land	974,700	129,184	1,103,884
Other Capital Assets, Net of Depreciation	<u>240,397</u>	<u>(28,548)</u>	<u>211,849</u>
Total Assets	<u>1,843,590</u>	<u>114,775</u>	<u>1,958,365</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Expenses	<u>6,519</u>	<u>300</u>	<u>6,819</u>
Total Liabilities	<u>6,519</u>	<u>300</u>	<u>6,819</u>
<u>Net Assets</u>			
Invested in Capital Assets	1,215,097	100,636	1,315,733
Restricted for:			
Public Improvements	80,439	-	80,439
Budget Stabilization	87,200	-	87,200
Other	74,004	-	74,004
Unrestricted	<u>380,331</u>	<u>13,839</u>	<u>394,170</u>
Total Net Assets	<u>\$ 1,837,071</u>	<u>\$ 114,475</u>	<u>\$ 1,951,546</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Long Lake Township Statement of Activities June 30, 2004

Functions/Programs	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:						
Legislative	\$ 77,225	\$ -	\$ -	\$ (77,225)	\$ -	\$ (77,225)
General Government	409,691	-	-	(409,691)	-	(409,691)
Public Safety	384,415	118,993	-	(265,422)	-	(265,422)
Public Works	49,351	-	-	(49,351)	-	(49,351)
Recreation and Cultural	<u>57,526</u>	<u>-</u>	<u>61,349</u>	<u>3,823</u>	<u>-</u>	<u>3,823</u>
Total Governmental Activities	<u>978,208</u>	<u>118,993</u>	<u>61,349</u>	<u>(797,866)</u>	<u>-</u>	<u>(797,866)</u>
Business-type Activities:						
Duplex Rental	<u>9,186</u>	<u>13,075</u>	<u>-</u>	<u>-</u>	<u>3,889</u>	<u>3,889</u>
General Revenues:						
Property Taxes				276,403	-	276,403
Grants and Contributions Not Restricted To Specific Programs				517,785	-	517,785
Unrestricted Investment Earnings				25,710	42	25,752
Miscellaneous				<u>3,770</u>	<u>-</u>	<u>3,770</u>
Total General Revenues				823,668	42	823,710
Change in Net Assets				25,802	3,931	29,733
Net Assets - Beginning				<u>1,811,269</u>	<u>110,544</u>	<u>1,921,813</u>
Net Assets - Ending				<u>\$ 1,837,071</u>	<u>\$ 114,475</u>	<u>\$ 1,951,546</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Long Lake Township Balance Sheet Governmental Funds June 30, 2004

	<u>General</u>	<u>Public Improvement</u>	<u>Budget Stabilization</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents	\$ 4,358	\$ -	\$ -	\$ 21,271	\$ 25,629
Investments	324,034	80,439	87,200	41,410	533,083
Accounts Receivable	36,895	-	-	-	36,895
Special Assessments Receivable	-	-	-	12,279	12,279
Prepaid Expenses	<u>20,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,607</u>
Total Assets	<u>\$ 385,894</u>	<u>\$ 80,439</u>	<u>\$ 87,200</u>	<u>\$ 74,960</u>	<u>\$ 628,493</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts Payable and Accrued Expenses	\$ 5,563	\$ -	\$ -	\$ 190	\$ 5,753
Escrow Deposits	-	-	-	766	766
Deferred Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,279</u>	<u>12,279</u>
Total Liabilities	<u>5,563</u>	<u>-</u>	<u>-</u>	<u>13,235</u>	<u>18,798</u>
<u>Fund Balances:</u>					
Unrestricted	<u>380,331</u>	<u>80,439</u>	<u>87,200</u>	<u>61,725</u>	<u>609,695</u>
Total Fund Balances	<u>380,331</u>	<u>80,439</u>	<u>87,200</u>	<u>61,725</u>	<u>609,695</u>
Total Liabilities and Fund Balances	<u>\$ 385,894</u>	<u>\$ 80,439</u>	<u>\$ 87,200</u>	<u>\$ 74,960</u>	
Amounts reported for governmental activities on the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.					1,215,097
Special assessment receivables in Township Improvement Revolving Fund are not financial resources and therefore are deferred to future periods in the funds.					<u>12,279</u>
Net assets of governmental activities.					<u>\$ 1,837,071</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Long Lake Township Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2004

	<u>General</u>	<u>Public Improvement</u>	<u>Budget Stabilization</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Taxes	\$ 276,403	\$ -	\$ -	\$ -	\$ 276,403
Licenses and Permits	86,992	-	-	-	86,992
State Grants	517,785	-	-	8,886	526,671
Charges for Services	32,001	-	-	-	32,001
Interest and Rents	24,300	-	-	1,410	25,710
Other	<u>3,770</u>	<u>-</u>	<u>-</u>	<u>59,316</u>	<u>63,086</u>
Total	<u>941,251</u>	<u>-</u>	<u>-</u>	<u>69,612</u>	<u>1,010,863</u>
<u>Expenditures</u>					
Legislative	77,225	-	-	-	77,225
General Government	385,044	-	-	-	385,044
Public Safety	384,415	-	-	-	384,415
Public Works	27,492	-	-	21,859	49,351
Recreation and Cultural	51,756	-	-	-	51,756
Capital Outlay	<u>23,010</u>	<u>-</u>	<u>-</u>	<u>37,605</u>	<u>60,615</u>
Total	<u>948,942</u>	<u>-</u>	<u>-</u>	<u>59,464</u>	<u>1,008,406</u>
Excess Revenues (Expenditures) and Net Change in Fund Balances	<u>(7,691)</u>	<u>-</u>	<u>-</u>	<u>10,148</u>	<u>2,457</u>
<u>Other Financing Sources (Uses)</u>					
Operating Transfers In	19,000	10,000	5,608	31,859	66,467
Operating Transfers Out	<u>(47,467)</u>	<u>-</u>	<u>-</u>	<u>(19,000)</u>	<u>(66,467)</u>
Total	<u>(28,467)</u>	<u>10,000</u>	<u>5,608</u>	<u>12,859</u>	<u>-</u>
Excess Revenues (Expenditures) and Other Financing Sources (Uses)	<u>(36,158)</u>	<u>10,000</u>	<u>5,608</u>	<u>23,007</u>	<u>2,457</u>
Fund Balance – Beginning of Year	<u>416,489</u>	<u>70,439</u>	<u>81,592</u>	<u>38,718</u>	<u>607,238</u>
Fund Balance – End of Year	<u>\$ 380,331</u>	<u>\$ 80,439</u>	<u>\$ 87,200</u>	<u>\$ 61,725</u>	<u>\$ 609,695</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

Long Lake Township  
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
Of Governmental Activities  
For the Year Ended June 30, 2004

Net change in fund balances - total governmental funds	\$ 2,457
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	30,198
Revenues in governmental funds that provide current financial resources are not reported as revenues in the statement of activities.	<u>(6,853)</u>
Changes in net assets of governmental activities	<u>\$ 25,802</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Long Lake Township Statement of Net Assets Enterprise Duplex Rental Fund June 30, 2004

### Assets

Cash and Cash Equivalents	\$ 14,139
Land, Buildings and Equipment	129,184
Accumulated Depreciation	<u>(28,548)</u>
Total Assets	<u>114,775</u>

### Liabilities

Accounts Payable	<u>300</u>
Total Liabilities	<u>300</u>

### Net Assets

Invested in Capital Assets	100,636
Unrestricted	<u>13,839</u>
Total Net Assets	<u>\$ 114,475</u>

See Accompanying Notes to Basic Financial Statements



# Tobin & Co.

Long Lake Township  
Statement of Revenues, Expenses and Changes in Net Assets  
Enterprise Duplex Rental Fund  
For the Year Ended June 30, 2004

Operating Revenues

Rental Income	\$ 13,075
Total	<u>13,075</u>

Operating Expenses

Taxes	2,595
Supplies, Maintenance and Repairs	2,227
Depreciation	<u>4,364</u>
Total	<u>9,186</u>
Operating Income	<u>3,889</u>

Non-operating Income

Interest	<u>42</u>
Total	<u>42</u>
Change in Net Assets	3,931
Net Assets – Beginning of Year	<u>110,544</u>
Net Assets – End of Year	<u>\$ 114,475</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

Long Lake Township  
Statement of Cash Flows  
Enterprise Duplex Rental Fund  
For the Year Ended June 30, 2004

Operating Activities

Collection of Rent	\$ 13,075
Collection of Interest	42
Deduct Expenses Using Cash and Cash Equivalents	<u>(4,822)</u>
Net Cash Flow From Operating Activities	<u>8,295</u>

Investing Activities

Investment in Land and Buildings	<u>-</u>
Net Cash Flow (Used In) Investing Activities	<u>-</u>

Capital Financing Activities

Capital Financing Activities	<u>-</u>
Net Cash Flow From Capital Financing Activities	<u>-</u>

<u>Net Increase in Cash and Cash Equivalents</u>	8,295
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<u>Balance of Cash - Beginning of Year</u>	<u>5,844</u>
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<u>Balance of Cash - End of Year</u>	<u>\$ 14,139</u>
--------------------------------------	------------------

Reconciliation of Net (Loss) and Net Cash Flow From Operating Activities

Net Income	\$ 3,931
Adjustments to Reconcile Net Earnings:	
Depreciation of Building and Equipment	<u>4,364</u>
Net Cash Flow from Operating Activities	<u>\$ 8,295</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Long Lake Township Statement of Fiduciary Net Assets June 30, 2004

### Assets

Cash	\$ 2,156
Total Assets	<u>2,156</u>

### Liabilities

Undistributed Taxes and Interest	117
Escrow Deposits	<u>2,039</u>
Total Liabilities	<u>2,156</u>
Net Assets	\$ <u>-</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Long Lake Township Notes to Financial Statements June 30, 2004

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

Long Lake Township is a general law township located in Grand Traverse County. Population as of the 2000 census was 7,648, and the current state equalized valuation and taxable valuation is \$378,348,000 and \$273,162,100, respectively.

The Township's basic financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14, "*The Financial Reporting Entity*" includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included.

Based on the above criteria, there are no other organizations included in these financial statements.

#### B. Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Township. The effect of interfund activity, within the governmental activities column, has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### Fund Financial Statements:

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Township has presented the following governmental funds:

General Fund – This fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Township. Revenues are derived primarily from property taxes, state distributions or grants, and other intergovernmental revenues.

Special Revenue Funds – These funds are used to account for specific governmental revenues (other than expendable trusts and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Proprietary Funds – These funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flows. All assets and liabilities are included in the statement of net assets.

#### Fiduciary Funds

These funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

# Tobin & Co.

## Long Lake Township Notes to Financial Statements June 30, 2004

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund and agency fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenue susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received.

#### D. Budgets

The General Fund and Special Revenue Funds are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Township.

In the body of the financial statements and the required supplementary schedules, the Township's actual and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets for these funds were adopted to the activity or cost center level.

For budgetary purposes appropriations lapse at fiscal year-end.

#### E. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental columns or business-type activities in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest is capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of \$1,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	25 years
Building Improvements	10 years
Furniture and Fixtures	10 years
Vehicles	5 years
Equipment	5 -10 years

# Tobin & Co.

## Long Lake Township Notes to Financial Statements June 30, 2004

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### F. Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund type considers all highly liquid investments with a remaining maturity of three months or less when purchased to be cash equivalents.

#### G. Investments

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

#### H. Prepaid Items

Prepaid balances are for payments made by the Township in the current year to provide services accruing in subsequent fiscal years.

#### I. Property Tax Procedures and Collections

Properties are assessed as of December 31 and the related property taxes become a lien the following July 1 and/or December 1. Real property taxes are collected by the Township Treasurer through February 28 of each year. As of March 1, uncollected real property taxes are returned delinquent to, and collected by, the County Treasurer. Personal property taxes remain the responsibility of the Township Treasurer to collect. It is the policy of the Township to record the real property taxes in the year of levy.

During the collection period prior to March 1, the Township Treasurer makes distribution of the property tax collections to the various taxing units (County, School District, etc.) as required by statute.

For the fiscal year the Township levied property taxes as follows:

	<u>SEV</u>	<u>Taxable Value</u>	<u>Millage Rate</u>
General Operating	\$378,348,000	\$273,162,100	.7240

#### J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. We noted no violations of legal provisions and/or contractual provisions of various agreements related to financial matters.

B. All funds had positive fund balances at June 30, 2004.

C. Public Act 621 of 1978, §18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. For the year ended June 30, 2004, no cost center exceeded its appropriation without formal budget amendment.

# Tobin & Co.

## Long Lake Township Notes to Financial Statements June 30, 2004

### NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS

#### A. Legal Provisions for Deposits and Investments

Act 20, Public Acts of 1943, as amended by Act 217, Public Acts of 1982, and Act 196, Public Acts of 1997, states that the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

- (1) In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
- (2) In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union complies with subsection (2).
- (3) In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after date of purchase.
- (4) Repurchase agreements consisting of instruments defined in (1) above.
- (5) In bankers' acceptances of United States Banks.
- (6) Obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- (7) In mutual funds registered under the investment company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by local units of government in Michigan.

#### B. Types of Deposits and Investments

The Township had \$69,169 deposited with local financial institutions at June 30, 2004 with a carrying value of \$39,367. Interpreting the FDIC insurance coverage of \$100,000 of demand deposits and \$100,000 of time deposits per financial institution, the Township had no uninsured deposits at June 30, 2004. Investments at June 30, 2004 consisted of \$533,084 of investments with a local investment firm. Township officials have been assured that all investments are permitted by State law.

### NOTE 4 - CAPITAL ASSETS

	<u>6/30/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/04</u>
Governmental Activities:				
Land and Improvements	\$ 974,700	\$ -	\$ -	\$ 974,700
Buildings and Improvements	454,158	48,380	-	502,538
Vehicles and Equipment	90,996	12,235	-	103,231
Total	1,519,854	60,615	-	1,580,469
Less Accumulated Depreciation	(334,955)	(30,417)	-	(365,372)
Governmental Activities Assets, Net	\$ 1,184,899	\$ 30,198	\$ -	\$ 1,215,097
Business-type Activities:				
Manhattan Duplex Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Manhattan Duplex	109,184	-	-	109,184
Total	129,184	-	-	129,184
Less Accumulated Depreciation	(24,184)	(4,364)	-	(28,548)
Business-type Activities Capital Assets, Net	\$ 105,000	\$ (4,364)	\$ -	\$ 100,636

# Tobin & Co.

## Long Lake Township Notes to Financial Statements June 30, 2004

### NOTE 5 - LONG-TERM DEBT

The Township has no long-term debt.

### NOTE 6 - LOANS AND TRANSFERS BETWEEN FUNDS

During the year the General Fund appropriated the following amounts:

Public Improvement Fund	\$	10,000
Budget Stabilization Fund	\$	5,608
Retiree Insurance Fund	\$	10,000
Gypsy Moth Suppression Fund	\$	21,859

During the year the funds below appropriated the following amounts to the General Fund:

Private Easement Special Assessment District	\$	2,000
Old Mill Drive Special Assessment District	\$	8,000
Bobby's Trail Special Assessment District	\$	9,000

The General Fund has, over time, made appropriations to the Township Improvement Revolving Fund, which funds were used for Special Assessment District expenditures. It is the intent that the General Fund will be reimbursed as the special assessments are collected. During the year \$19,000 was repaid and accounted for as operating transfers to the General Fund.

### NOTE 7 - INVENTORIES

Long Lake Township does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items are recorded as expenses when purchased.

### NOTE 8 - RETIREMENT PLAN

The Township has a defined contribution pension plan for Michigan Township employees under contract with the Manufacturers Life Insurance Company. Listed below is a summary of the significant plan provisions adopted by Board resolution in January, 1988:

#### A. Eligibility Requirements

1. Attained age of 18 and not more than 75.
2. No minimum service requirement.
3. All elected officials and full-time employees working 20 hours or more per week for at least 5 months of the year.

#### B. Contributions

1. 11% of annual compensation funded entirely by the Township on an annual basis.
2. Compensation determined by the basis annual rate of compensation in effect at the beginning of the plan year.
3. Township pays 100% of required annual contribution.

#### C. Vesting

1. Contributions are vested to the employee immediately upon early retirement, termination of service, death, disability, or normal retirement at age 65.

#### D. Plan Administration

1. The plan is administered by the Township Clerk.
2. During the year of audit, the total contribution for the plan year, July 1, 2003 to June 30, 2004 was \$30,090. Covered payroll for the year was \$273,545 with total payroll for all employees \$331,446. The plan was funded at the required amount.



# Tobin & Co.

## Long Lake Township Notes to Financial Statements June 30, 2004

### NOTE 9 - DEFERRED COMPENSATION PLAN

Long Lake Township offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is administered by the Township Clerk and is available to all employees. The plan allows employees to defer a portion of their salary until a future date. It becomes available to the employee at death, termination, retirement or disability.

### NOTE 10- CONTINGENT LIABILITIES

The Township is aware of no contingent liabilities at June 30, 2004.

### NOTE 11- COMPENSATED ABSENCES

The Township has a policy covering vacation, sick leave and longevity. Employees receive compensation at the end of each year for any unused portion and none can be carried over to the next fiscal year. Therefore, the Township has no liability for accumulated vacation, sick leave, or longevity pay.

### NOTE 12- RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the audit year the Township addressed these risks through the purchase of commercial insurance through Municipal Underwriters of Michigan. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

### NOTE 13- SEGMENT INFORMATION - ENTERPRISE FUND

The Township maintains an enterprise fund which provides water services. Segment information for the year ended June 30, 2004 was as follows:

Operating Revenues	\$	13,075
Depreciation and Amortization Expense		4,364
Operating Income		3,889
Net Income		3,931
Net Working Capital		13,839
Total Assets		114,775
Total Equity		114,475

SUPPLEMENTAL DATA SECTION

# Tobin & Co.

## Long Lake Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund For the Year Ended June 30, 2004

Schedule 1  
Page 1

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues</u>	<u>Original</u>	<u>Final</u>		
Taxes:				
Taxes – Current	\$ 187,829	\$ 187,829	\$ 188,744	\$ 915
Taxes – Delinquent	9,500	9,500	9,332	(168)
Swamp Tax	1,650	1,650	1,667	17
Trailer Park Fees	420	420	444	24
Penalties	800	800	974	174
Property Tax Administration Fees	78,525	78,525	75,242	(3,283)
Licenses and Permits:				
Land Use Permits	11,500	11,500	12,730	1,230
Cable Fees	70,000	70,000	74,262	4,262
State Grants:				
State Shared Revenues	536,462	536,462	511,694	(24,768)
Grants	5,500	5,500	6,091	591
Charges for Services:				
Fees	10,000	10,000	11,105	1,105
Summer Tax	15,855	15,855	16,240	385
Sales	3,500	3,500	4,656	1,156
Interest and Rents:				
Interest	15,000	15,000	15,680	680
Rents	8,200	8,200	8,620	420
Other:				
Special Assessments	750	750	722	(28)
Miscellaneous	<u>1,100</u>	<u>1,100</u>	<u>3,048</u>	<u>1,948</u>
Total Revenues	<u>956,591</u>	<u>956,591</u>	<u>941,251</u>	<u>(15,340)</u>
<u>Expenditures</u>				
Legislative:				
Township Board:				
Salaries	-	-	9,250	-
Fringe Benefits	-	-	3,854	-
Professional Services	-	-	19,584	-
Association Dues	-	-	13,389	-
Printing	-	-	9,364	-
Insurance	-	-	15,920	-
Education	-	-	3,089	-
Miscellaneous	-	-	<u>2,775</u>	-
Total	<u>152,450</u>	<u>149,700</u>	<u>77,225</u>	<u>72,475</u>
Total Legislative	<u>152,450</u>	<u>149,700</u>	<u>77,225</u>	<u>72,475</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Long Lake Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended June 30, 2004

Schedule 1  
Page 2

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Expenditures (Continued)</b>				
General Government:				
Township Supervisor:				
Salaries	-	-	43,150	-
Fringe Benefits	-	-	17,980	-
Mileage and Travel	-	-	365	-
Total	62,200	62,200	61,495	705
Elections:				
Supplies	-	-	444	-
Maintenance and Repairs	-	-	600	-
Total	9,000	4,800	1,044	3,756
Assessor:				
Salaries	-	-	43,443	-
Fringe Benefits	-	-	18,102	-
Professional	-	-	3,994	-
Supplies	-	-	1,676	-
Mileage	-	-	317	-
Education	-	-	52	-
Total	68,850	68,850	67,584	1,266
Clerk:				
Salaries	-	-	37,225	-
Salaries - Deputy	-	-	7,928	-
Fringe Benefits	-	-	18,814	-
Mileage	-	-	541	-
Total	65,150	65,150	64,508	642
Board of Review:				
Salaries	-	-	625	-
Fringe Benefits	-	-	194	-
Total	900	900	819	81
Treasurer:				
Salaries	-	-	37,495	-
Fringe Benefits	-	-	15,623	-
Supplies	-	-	9,260	-
Contracted	-	-	148	-
Mileage	-	-	616	-
Total	61,400	64,900	63,142	1,758

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

## Long Lake Township Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General Fund For the Year Ended June 30, 2004

Schedule 1  
Page 3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (Continued)</u>				
General Government (Continued):				
Township Hall and Grounds:				
Salaries	-	-	25,720	-
Fringe Benefits	-	-	10,717	-
Supplies	-	-	20,394	-
Telephone	-	-	7,614	-
Public Utilities	-	-	10,060	-
Maintenance and Repairs	-	-	39,437	-
Miscellaneous	-	-	680	-
Total	<u>137,100</u>	<u>137,100</u>	<u>114,622</u>	<u>22,478</u>
Cemetery:				
Salaries	-	-	3,138	-
Fringe Benefits	-	-	1,308	-
Public Utilities	-	-	145	-
Maintenance	-	-	6,337	-
Miscellaneous	-	-	902	-
Total	<u>13,350</u>	<u>13,350</u>	<u>11,830</u>	<u>1,520</u>
Total General Government	<u>417,950</u>	<u>417,250</u>	<u>385,044</u>	<u>32,206</u>
Public Safety:				
Police:				
Contracted	-	-	59,426	-
Total	<u>60,100</u>	<u>60,100</u>	<u>59,426</u>	<u>674</u>
Fire:				
Contractual	-	-	157,101	-
Maintenance	-	-	4,022	-
Travel and Other	-	-	1,568	-
Training	-	-	3,286	-
Total	<u>166,200</u>	<u>168,200</u>	<u>165,977</u>	<u>2,223</u>
Planning:				
Salaries	-	-	59,279	-
Fringe Benefits	-	-	24,700	-
Dues	-	-	827	-
Miscellaneous	-	-	223	-
Consultant	-	-	19,666	-
Education	-	-	739	-
Total	<u>115,350</u>	<u>113,350</u>	<u>105,434</u>	<u>7,916</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

## Long Lake Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund For the Year Ended June 30, 2004

Schedule 1  
Page 4

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures (Continued)				
Public Safety (Continued)				
Zoning:				
Salaries	-	-	37,155	-
Fringe Benefits	-	-	15,482	-
Mileage	-	-	273	-
Education	-	-	668	-
Total	54,950	55,450	53,578	1,872
Total Public Safety	396,600	397,100	384,415	12,685
Public Works:				
Water Study	20,000	21,000	20,170	830
Roads	4,000	4,000	3,742	258
Street Lighting	3,500	3,950	3,467	483
A.D.A.	500	500	113	387
Total Public Works	28,000	29,450	27,492	1,958
Recreation and Cultural:				
Parks:				
Salaries	-	-	17,569	-
Fringe Benefits	-	-	7,321	-
Maintenance	-	-	14,465	-
Miscellaneous	-	-	209	-
Total	51,900	51,900	39,564	12,336
Senior:				
Salaries	-	-	2,328	-
Fringe Benefits	-	-	724	-
Consultation	-	-	3,215	-
Supplies	-	-	263	-
Total	8,000	8,000	6,530	1,470
Reading:				
Salaries	-	-	2,600	-
Fringe Benefits	-	-	809	-
Supplies	-	-	134	-
Consultations	-	-	1,330	-
Total	6,100	6,100	4,873	1,227
Historical:				
Utilities	-	-	299	-
Maintenance	-	-	490	-
Total	2,000	2,000	789	1,211
Total Recreation and Cultural	68,000	68,000	51,756	16,244

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Long Lake Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended June 30, 2004

Schedule 1  
Page 5

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (Continued)</u>				
Capital Outlay	<u>7,500</u>	<u>9,000</u>	<u>23,010</u>	<u>(14,010)</u>
Total Expenditures	<u>1,070,500</u>	<u>1,070,500</u>	<u>948,942</u>	<u>121,558</u>
<u>Excess Revenues (Expenditures)</u>	<u>(113,909)</u>	<u>(113,909)</u>	<u>(7,691)</u>	<u>136,898</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	<u>-</u>	<u>-</u>	<u>19,000</u>	<u>19,000</u>
Operating Transfers Out	<u>(20,000)</u>	<u>(41,859)</u>	<u>(47,467)</u>	<u>(5,608)</u>
Total	<u>(20,000)</u>	<u>(41,859)</u>	<u>(28,467)</u>	<u>13,392</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	(1) <u>\$ (133,909)</u>	<u>\$ (155,768)</u>	<u>(36,158)</u>	<u>\$ 150,290</u>
Fund Balance – Beginning of Year			<u>416,489</u>	
Fund Balance – End of Year			<u>\$ 380,331</u>	
(1) Budgeted from Fund Balance				

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

## Long Lake Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Public Improvement Fund For the Year Ended June 30, 2004

Schedule 2

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Revenues	\$ -	\$ -	\$ -
Total	-	-	-
<u>Expenditures</u>			
Expenditures	-	-	-
Total	-	-	-
<u>Other Financing Sources (Uses)</u>			
Transfers In	-	10,000	10,000
Transfers (Out)	-	-	-
Total	-	10,000	10,000
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	\$ -	10,000	\$ 10,000
Fund Balance – Beginning of Year		70,439	
Fund Balance – End of Year		\$ 80,439	

The Notes to the Basic Financial Statements are an integral part of this statement.



# Tobin & Co.

Long Lake Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Budget Stabilization Fund  
For the Year Ended June 30, 2004

Schedule 3

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Revenues	\$ -	\$ -	\$ -
Total	-	-	-
<u>Expenditures</u>			
Expenditures	-	-	-
Total	-	-	-
<u>Other Financing Sources (Uses)</u>			
Transfers In	-	5,608	5,608
Transfers (Out)	-	-	-
Total	-	5,608	5,608
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	\$ -	5,608	\$ 5,608
Fund Balance – Beginning of Year		81,592	
Fund Balance – End of Year		\$ 87,200	

The Notes to the Basic Financial statements are an integral part of this statement.

# Tobin & Co.

## Long Lake Township Combining Balance Sheet Non-Major Governmental Funds June 30, 2004

Schedule 4

	<u>Township Improvement Revolving</u>	<u>Metro Act</u>	<u>Library Building</u>	<u>Retiree Insurance</u>	<u>Total</u>
<u>Assets</u>					
Cash	\$ 2,218	\$ -	\$ 19,053	\$ -	\$ 21,271
Investments	-	11,410	-	30,000	41,410
Special Assessments Receivable	<u>12,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,279</u>
Total Assets	<u>\$ 14,497</u>	<u>\$ 11,410</u>	<u>\$ 19,053</u>	<u>\$ 30,000</u>	<u>\$ 74,960</u>
 <u>Liabilities</u>					
Accounts Payable	190	-	-	-	190
Due to Other Funds	727	-	39	-	766
Deferred Revenues	<u>12,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,279</u>
Total Liabilities	<u>13,196</u>	<u>-</u>	<u>39</u>	<u>-</u>	<u>13,235</u>
 <u>Fund Equity</u>					
Fund Balance	<u>1,301</u>	<u>11,410</u>	<u>19,014</u>	<u>30,000</u>	<u>61,725</u>
Total Fund Equity	<u>\$ 14,497</u>	<u>\$ 11,410</u>	<u>\$ 19,053</u>	<u>\$ 30,000</u>	<u>\$ 74,960</u>

The Notes to the Basic Financial statements are an integral part of this statement.

# Tobin & Co.

## Long Lake Township Combining Statement of Revenues, Expenditures and Changes in Fund Balance Non-Major Governmental Funds June 30, 2004

Schedule 5

	Township Improvement Revolving	Metro Act	Library Building	Retiree Insurance	Total
<u>Revenues</u>					
State Revenue Sharing	\$ -	\$ 8,886	\$ -	\$ -	\$ 8,886
Special Assessments – Principal	6,853	-	-	-	6,853
Special Assessments – Interest	1,410	-	-	-	1,410
Donations	-	-	52,463	-	52,463
Total	8,263	8,886	52,463	-	69,612
<u>Expenditures</u>					
Gypsy Moth Spraying	21,859	-	-	-	21,859
Capital Outlay	-	-	37,605	-	37,605
Total	21,859	-	37,605	-	59,464
<u>Excess Revenues (Expenditures)</u>	(13,596)	8,886	14,858	-	10,148
<u>Other Financing Sources (Uses)</u>					
Transfers In	21,859	-	-	10,000	31,859
Transfers (Out)	(19,000)	-	-	-	(19,000)
Total	2,859	-	-	10,000	12,859
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	(10,737)	8,886	14,858	10,000	23,007
Fund Balance – Beginning of Year	12,038	2,524	4,156	20,000	38,718
Fund Balance – End of Year	\$ 1,301	\$ 11,410	\$ 19,014	\$ 30,000	\$ 61,725

The Notes to the Basic Financial statements are an integral part of this statement.

# Tobin & Co.

Long Lake Township  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Year Ended June 30, 2004

Schedule 6

	Trust and Agency Fund			Balance 6/30/04
	Balance 6/30/03	Additions	Deductions	
<u>Assets</u>				
Cash	\$ 16,129	\$ 2,885	\$ 16,975	\$ 2,039
Total Assets	\$ 16,129	\$ 2,885	\$ 16,975	\$ 2,039
<u>Liabilities</u>				
Undistributed Taxes and Interest	\$ -	\$ -	\$ -	\$ -
Escrow Deposits	16,129	2,885	16,975	2,039
Total Liabilities	\$ 16,129	\$ 2,885	\$ 16,975	\$ 2,039
	Current Tax Collection Fund			Balance 6/30/04
	Balance 6/30/03	Additions	Deductions	
<u>Assets</u>				
Cash	\$ 21,567	\$ 7,329,908	\$ 7,351,358	\$ 117
Total Assets	\$ 21,567	\$ 7,329,908	\$ 7,351,358	\$ 117
<u>Liabilities</u>				
Undistributed Taxes and Interest	\$ 21,567	\$ 7,329,908	\$ 7,351,358	\$ 117
Escrow Deposits	-	-	-	-
Total Liabilities	\$ 21,567	\$ 7,329,908	\$ 7,351,358	\$ 117
	Total			Balance 6/30/04
	Balance 6/30/03	Additions	Deductions	
<u>Assets</u>				
Cash	\$ 37,696	\$ 7,332,793	\$ 7,368,333	\$ 2,156
Total Assets	\$ 37,696	\$ 7,332,793	\$ 7,368,333	\$ 2,156
<u>Liabilities</u>				
Undistributed Taxes and Interest	\$ 21,567	\$ 7,329,908	\$ 7,351,358	\$ 117
Escrow Deposits	16,129	2,885	16,975	2,039
Total Liabilities	\$ 37,696	\$ 7,332,793	\$ 7,368,333	\$ 2,156

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

## Long Lake Township 2003 Property Tax Levy and Collections For the Year Ended June 30, 2004

Schedule 7

	<u>Millage Rate</u>	<u>Adjusted Levy</u>	<u>Collected</u>	<u>Returned Delinquent</u>
County	5.2112	\$ 1,420,257	\$ 1,355,476	\$ 64,781
Medical Care Facility	0.6897	187,952	179,380	8,572
Commission on Aging	0.2763	75,283	71,850	3,433
B.A.T.A.	0.3500	95,372	91,023	4,349
School District	21.1000	2,209,197	2,123,723	85,474
State Education	5.0000	1,362,716	1,324,499	38,217
Intermediate School District	2.9929	815,673	792,798	22,875
Community College	3.0693	836,447	805,643	30,804
District Library	1.2290	334,915	319,639	15,276
Township:				
General	0.7240	197,301	188,302	8,999
Tax Administration Fees		<u>75,280</u>	<u>72,468</u>	<u>2,812</u>
Total		<u>\$ 7,610,393</u>	<u>\$ 7,324,801</u>	<u>\$ 285,592</u>
State Equalized Valuation		\$378,348,000		
Taxable Valuation		\$273,162,100		
Percent of Levy Collected		96.25%		

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Long Lake Township  
Statement of Revenues and Expenditures  
Property Tax Administration Fees  
June 30, 2004

Schedule 8

## Revenues

Property Tax Administration Fees	\$ 75,242
Total Revenues	<u>75,242</u>

## Expenditures

Assessor Expenses – 100%	67,584
Treasurer Expenses:	
Salary and Fringe Benefits – 75%	39,839
Supplies, Postage, Mileage – 75%	7,407
Board of Review Expenses – 100%	819
Telephone and Utilities	1,000
Insurance and Fringe Benefits	2,500
Use of Building	<u>500</u>
Total Expenditures	<u>112,649</u>
Excess Revenues (Expenditures)	(44,407)
<u>Excess Revenues (Expenditures)</u> Prior Years	<u>(183,430)</u>
<u>Accumulated Excess Revenues (Expenditures)</u>	<u>\$ (227,837)</u>

The Notes to the Basic Financial Statements are an integral part of this statement.